

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3623 - SB 3613

March 5, 2010

SUMMARY OF BILL: Requires the Tennessee Student Assistance Corporation (TSAC) to develop and administer a student loan repayment program for nursing school graduates who are residents of the state and owe student loans that were incurred to finance his or her nursing school education. A portion of the individual's student loans will be repaid by the state in exchange for the performance of community service work that falls within the scope of the individual's license. A nursing school graduate may have all or a portion of his or her student loans repaid by the state in exchange for accepting employment with the state that falls within the scope of the individual's license.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$1,000,000

Assumptions:

- The fiscal impact of this bill is dependent upon several unknown factors such as the number of nursing graduates each year that will participate in the program, the number of nursing graduates who will perform community service work or work with the state, the amount of student loans that the individuals have incurred during their studies, and the portion of student loans that will be paid back through the program.
- Given the extent of unknown factors, determining a precise fiscal estimate for this bill is difficult. According to the Tennessee Higher Education Commission (THEC), there were a total of 2,426 nursing school graduates in the 2008-2009 academic year. These included 923 Associate Degrees, 1167 Bachelor Degrees, 322 Master Degrees, and 14 Professional Degrees.
- Based on information collected by the American Association of Colleges of Nursing, the average nursing student loan carries a loan debt which ranges from \$30,375 to \$44,393. If all nursing graduates participated in the program, the amount of loans that would qualify for repayment could be as much as \$73,689,750 (2,426 x \$30,375).
- According to TSAC, any administrative costs associated with implementing this type of program would not be significant and could be accommodated within existing resources.

- The extent of nursing graduate student loan repayments in any given year is unknown and difficult to quantify. However, the increase to state expenditures is reasonably estimated to exceed \$1,000,000 per year.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

/kml